Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 05 JUL 2006

# Message Text

CONFIDENTIAL

PAGE 01 MOSCOW 04931 101251Z

46
ACTION EUR-12

INFO OCT-01 ISO-00 EURE-00 SS-15 SSO-00 EB-07 COME-00

AGR-05 TRSE-00 PRS-01 L-02 NSCE-00 NSC-05 /048 W
---------- 071825
O 101202Z APR 75
FM AMEMBASSY MOSCOW
TO SECSTATE WASHDC IMMEDIATE 9094

C O N F I D E N T I A L MOSCOW 4931

FOR SECRETARY FROM SECRETARY SIMON

E.O. 11652 GDS
TAGS: OVIP (SIMON, WILLIAM)
SUBJ: PLENARY SESSION STATEMENT BY SECRETARY SIMON

1. FOLLOWING IS TEXT OF STATEMENT I WILL BE MAKING TO JOINT COMMERCIAL COMMISSION PLENARY SESSION APRIL 10. IF YOU HAVE NO OBJECTION I WILL PLAN TO RELEASE TEXT TO LOCAL AND US PRESS TOMORROW. PLEASE ADVISE BY COB TODAY, APRIL 10.

2. QTE: MINISTER PATOLICHEV:

ON BEHALF OF THE AMERICAN DELEGATION, I WANT TO THANK YOU FOR YOUR WARM AND GENEROUS WELCOME TO THE SOVIET UNION FOR THE FIFTH ANNUAL MEETING OF OUR JOINT ECONOMIC COMMISSION.

I ALSO WANT TO EXPRESS MY PERSONAL PLEASURE AT THE OPPORTUNITY TO RETURN TO YOUR COUNTRY. THIS IS MY SECOND TRIP TO THE SOVIET UNION, AND ON THIS OCCASION MY COLLEAGUES AND I WILL HAVE A CHANCE TO VISIT PARTS OF YOUR LAND THATMANY OF US HAVE NEVER SEEN BEFORE. WE DEEPLY APPRECIATE YOUR GRACIOUS HOSPITALITY IN INVITING US NOT ONLY TO MOSCOW BUT TO SOCHI AND TASHKENT AS WELL.

THE UNITED STATES CONTINUES TO REGARD THESE MEETINGS AND THE TRADE WHICH THEY ENCOURAGE AS A VITAL BUILDING
CONFIDENTIAL

CONFIDENTIAL

PAGE 02 MOSCOW 04931 101251Z

BLOCK IN THE BRIDGE THAT WE ARE CONSTRUCTING BETWEEN OUR

Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 05 JUL 2006

Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 05 JUL 2006

TWO NATIONS. THE AMERICAN COMMITMENT TO THAT PROCESS REMAINS FIRM, JUST AS THE BRIDGE ITSELF HAS BECOME STRONG AND DURABLE.

IN THE YEAR THAT HAS PASSED SINCE WE MET IN WASHINGTON, MUCH HAS HAPPENED IN THE WORLD THAT MIGHT AFFECT THESE DISCUSSIONS TODAY. THERE HAS BEEN A CHANGE OF LEADERSHIP IN AMERICA. OUR AMERICAN ECONOMY, ALONG WITH THE ECONOMIES OF MANY OTHER NATIONS IN EUROPE AND THE REST OF THE WORLD, HAS EXPERIENCED CERTAIN DIFFICULTIES. AND INTERNAL DIFFERENCES HAVE DEVELOPED WITHIN THE UNITED STATES OVER THE 1972 TRADE AGREEMENT BETWEEN OUR TWO COUNTRIES.

WHILE THESE EVENTS ARE SIGNIFICANT, THEY SHOULD NOT BE MISINTERPRETED NOR SHOULD THEY BE ALLOWED TO INTERFERE WITH THE PROGRESS WE CAN MAKE HERE.

THE TRANSITION OF LEADERSHIP IN OUR COUNTRY, THOUGH UNIQUE, PASSED SMOOTHLY, AND IN FACT, HELPED TO STRENGTHEN THE UNITY OF OUR PEOPLE. WE ARE CONFIDENT THAT THE UNITED STATES WILL BE WELL ON THE ROAD TO ECONOMIC RECOVERY DURING THE SECOND HALF OF THIS YEAR. INDEED, THERE IS MOUNTING EVIDENCE THAT OUR ECONOMY WILL RECOVER MUCH MORE RAPIDLY THAN MANY OBSERVERS THOUGHT POSSIBLE ONLY A FEW WEEKS AGO. UNDER THESE CIRCUMSTANCES, WE MUST EXERCISE EXTREME CARE TO AVOID OVER-HEATING OUR ECONOMY AND UNLEASHING THE DISTORTIONS CAUSED BY HIGH RATES OF INFLATIN.

WE DO NOT NEED ADDITIONAL EXPORTS TO ASSURE THE RECOVERY OF OUR ECONOMY. WE HAVE AMPLE NEEDS AND AMPLE MEANS TO CREATE DOMESTICALLY THE APPROPRIATE LEVEL OF DEMAND UPON OUR ECONOMY. BUT WE DO NEED TO PARTICIPATE FULLY IN THE OPPORTUNITIES OFFERED BY OPEN INTERNATIONAL TRADE IF WE--AND OTHERS--ARE TO DERIVE THROUGH TRADE THE MAXIMUM BENEFITS FROM THE GREAT POTENTIAL PRODUCTIVITY OF OUR ECONOMIES.

IT IS FOR THIS REASON--AS WELL AS FURTHER TO STRENGTHEN THE BONDS OF PEACE BETWEEN OUR NATIONS--THAT WE BELIEVE SO PASSIONATELY IN THE PRINCIPLES EMOODIED IN THE TRADE AGREEMENT OF 1972. THE ADMINISTRATION STRONGLY OPPOSED THE CONFIDENTIAL



ACTIONS BY OUR CONGRESS WHICH INTERRUPTED THE NORMALIZATION OF OUR TRADE RELATIONS WITH THE SOVIET UNION. THE PRESIDENT HAS COMMITTED HIMSELF TO WORK FOR REMOVAL OF CURRENT RESTRICTIONS AT THE EARLIEST OPPORTUNITY. WE MUST PROCEED CAREFULLY TO INSURE THAT WHEN THE PRESIDENT NEXT PUTS FORWARD A SPECIFIC PROPOSAL IT WILL BE ON THE BASIS OF A CONSENSUS BETWEEN THE ADMINISTRATION AND THE RESPONSIBLE LEADERS OF THE CONGRESS.

Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 05 JUL 2006

Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 05 JUL 2006

IN PREPARING A LEGISLATIVE PROPOSAL, WE SHALL HAVE IN MIND BOTH THE IMPORTANCE OF REMOVING ARBITRARY CEILINGS ON EX-IMBANK CREDITS FOR U.S. EXPORTS AND THE IMPORTANCE OF ELIMINATING THE UNACCEPTABLE ASPECTS OF THE JACKSON AMENDMENT TO THE RECENT TRADE BILL.

ACHIEVING THE NECESSARY CONSENSUS WITH THE CONGRESS IN THE FIELDS OF FINANCE AND TRADE WILL BE GREATLY FACILITATED BY VISIBLE FORWARD MOVEMENT IN OTHER AREAS OF DETENTE, FOR EXAMPLE BY THE ACHIEVEMENT OF REASONABLE PROGRESS IN THE SALT TALKS.

I HOPE THAT THE CLEAR COOPERATIVE SPIRIT WHICH I AM SURE WILL BE DEMONSTRATED IN OUR TALKS TODAY AND TOMORROW WILL PERMIT US TO PRESENT SPECIFIC NEW PROPOSALS TO THE CONGRESS BY MID-YEAR.

IN THIS CONTEXT, I WOULD NOTE THAT SINCE THE LAST MEETING OF THIS COMMISSION, THERE HAS, IN FACT, BEEN NOTABLE PROGRESS IN A NUMBER OF AREAS RELATING TO TRADE BETWEEN US. SIGNING OF THE LONG-TERM AGREEMENT TO FACILITATE ECONOMIC, INDUSTRIAL AND TECHNICAL COOPERATION WAS AN IMPORTANT STEP FORWARD. WE ARE ESPECIALLY PLEASED THAT DESPITE A REDUCTION IN AGRICULTURAL SALES, OUR BILATERAL TRADE REACHED APPROXIMATELY DOLS ONE BILLION LAST YEAR--FOUR TIMES WHAT IT WAS IN 1970. AMERICAN EXPORTS TO THE USSR OF MACHINERY AND TRANSPORTATION EQUIPMENT HAVE INCREASED STEADILY AND MAY INCREASE STILL FURTHER IN 1975. SOVIET EXPORTS TO THE UNITED STATES, PARTICULARLY OF MINERAL FUELS AND MANUFACTURED GOODS, HAVE LIKEWISE REGISTERED SIGNIFICANT GAINS. OUR COUNTRIES ARE WELL ON THEIR WAY TOWARD SURPASSING THE TRADE GOALS ANNOUNCED AT THE SUMMIT
CONFIDENTIAL



CONFERENCE IN JUNE OF 1973.

ANOTHER RECENT DEVELOPMENT OF SOME INTEREST HERE HAS BEEN THE ESTABLISHMENT BY PRESIDENT FORD OF THE EAST-WEST FOREIGN TRADE BOARD, WHICH I WILL CHAIR AND WHICH WILL INCLUDE IN ITS MEMBERSHIP THE SECRETARIES OF STATE, AGRICULTURE AND COMMERCE. THE MEMBERSHIP OF THE BOARD ENSURES THAT OUR ECONOMIC RELATIONS WITH THE SOVIET UNION WILL CONTINUE TO RECEIVE ATTENTION AT THE HIGHEST LEVELS OF OUR GOVERNMENT.

AMONG ITS DUTIES, THE BOARD WILL REPORT TO THE CONGRESS ON ACTIVITIES OF JOINT COMMISSIONS SUCH AS THIS ONE. IT WILL ALSO SUBMIT RECOMMENDATIONS TO THE CONGRESS FOR THE PROMOTION OF EAST-WEST TRADE, THUS PROVIDING A

Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 05 JUL 2006

Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 05 JUL 2006

REGULAR CHANNEL BY WHICH SUCH PROPOSALS CAN BE MADE WHICH
WILL ADVANCE TRADE AND COOPERATION BEWTWEEN OUR COUNTRIES.

TURNING NOW TO THE AGENDA BEFORE US TODAY, I WOULD LIKE
FIRST OF ALL TO INTRODUCE THE OTHER MEMBERS OF THE AMERICAN
DELEGATION.

THE AGENDA THAT YOU HAVE SUGGESTED FOR THESE MEETINGS,
MR. MINISTER, IS QUITE SATISFACTORY TO US. IT PROMISES
TO BE A DEMANDING PROGRAM, BUT WE FEEL CERTAIN THAT WITH
GOOD WILL AND HARD WORK, MUCH CAN BE ACHEIVED.

TO EXPEDITE THE WORK OF THE COMMISSION, I AGREE WITH
YOUR SUGGESTION, MR. MINISTER, THAT WE ASSIGN CERTAIN
MEMBERS OF OUR DELEGATIONS TO INFORMAL WORKING GROUPS WHICH
WILL DISCUSS SPECIALIZED AREAS OF INTEREST IN PREPARATION
FOR OUR NEXT PLENARY SESSION. ON OUR SIDE, I HAVE ASKED
MR. BENNETT AND MR. DOWNEY TOGETHER WITH OTHER MEMBERS
OF OUR DELEGATION TO MEET WITH MEMBERS OF THE SOVIET DELEGA-
TION DESIGNATED BY YOU FOR THESE DISCUSSIONS.

AS TO THE FIRST ITEM ON THE AGENDA TODAY, I SUGGEST THAT
IT WOULD BE USEFUL TO HAV A MORE COMPLETE REVIEW BY BOTH
SIDES OF DEVELOPMENTS IN THE FIELD OF US-USSR ECONOMIC
RELATIONS SINCE THE LAST MEETING OF THE COMMISSION.
MR. TABOR IS PREPARED TO MAKE SUCH A PRESENTATION FOR THE
CONFIDENTIAL

CONFIDENTIAL

PAGE 05 MOSCOW 04931 101251Z

UNITED STATES AT A TIME THAT YOU MAY DESIGNATE.

IN CONCLUSION, MR. MINISTER, LET ME RE-EMPHASIZE THAT
WE SHARE WITH YOUR THE BELIEF THAT THE DEVELOPMENT OF LONG-
TERM ECONOMIC COOPERATION WILL CONTRIBUTE TO THE OVERALL
STABILITY OF OUR RELATIONSHIP. THERE IS NO REASONABLE
ALTERNATIVE TO CONDUCTING OUR MUTUAL RELATIONS ON THE BASIS
OF PEACEFUL COEXISTENCE. COMMERCIAL AND ECONOMIC TIES ARE
AN ESSENTIAL PART OF THIS PROCESS. WE RECOGNIZE THAT FOR
COMMERCE TO FLOURISH, OUR RELATIONSHIP MUST BE MUTUALLY
BENEFICIAL. LET ME ASSURE YOURE YOU THAT WE WILL SEEK TO PROMOTE
THE GROWTH OF TRADE IN BOTH DIRECTIONS.

LOOKING ABOUT THE ROOM TODAY, I RECOGNIZE MANY
FAMILIAR FACES AMONG THE SOVIET DELEGATION --MEN WITH
WHOM WE HAVE HAD THE PLEASURE OF WORKING TOGETHER ON OTHER
OCCASIONS. MY COLLEAGUES AND I ARE LOOKING FORWARD TO
THESE DISCUSSIONS WITH YOU AND ARE FULLY CONFIDENT THAT,
WITH YOUR HELP, THEY WILL BE FRUITFUL.

THANK YOU. END QTE.
STOESSEL

Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 05 JUL 2006

Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 05 JUL 2006

CONFIDENTIAL

NNN

Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 05 JUL 2006

# Message Attributes

**Automatic Decaptioning:** X
**Capture Date:** 01 JAN 1994
**Channel Indicators:** n/a
**Current Classification:** UNCLASSIFIED
**Concepts:** n/a
**Control Number:** n/a
**Copy:** SINGLE
**Draft Date:** 10 APR 1975
**Decaption Date:** 01 JAN 1960
**Decaption Note:**
**Disposition Action:** RELEASED
**Disposition Approved on Date:**
**Disposition Authority:** GarlanWA
**Disposition Case Number:** n/a
**Disposition Comment:** 25 YEAR REVIEW
**Disposition Date:** 28 MAY 2004
**Disposition Event:**
**Disposition History:** n/a
**Disposition Reason:**
**Disposition Remarks:**
**Document Number:** 1975MOSCOW04931
**Document Source:** CORE
**Document Unique ID:** 00
**Drafter:** n/a
**Enclosure:** n/a
**Executive Order:** GS
**Errors:** N/A
**Film Number:** D750125-0171
**From:** MOSCOW
**Handling Restrictions:** n/a
**Image Path:**
**ISecure:** 1
**Legacy Key:** link1975/newtext/t19750463/aaaacfvs.tel
**Line Count:** 223
**Locator:** TEXT ON-LINE, ON MICROFILM
**Office:** ACTION EUR
**Original Classification:** CONFIDENTIAL
**Original Handling Restrictions:** n/a
**Original Previous Classification:** n/a
**Original Previous Handling Restrictions:** n/a
**Page Count:** 5
**Previous Channel Indicators:** n/a
**Previous Classification:** CONFIDENTIAL
**Previous Handling Restrictions:** n/a
**Reference:** n/a
**Review Action:** RELEASED, APPROVED
**Review Authority:** GarlanWA
**Review Comment:** n/a
**Review Content Flags:**
**Review Date:** 12 JUN 2003
**Review Event:**
**Review Exemptions:** n/a
**Review History:** RELEASED <12 JUN 2003 by izenbei0>; APPROVED <17 JUL 2003 by GarlanWA>
**Review Markings:**

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
05 JUL 2006

**Review Media Identifier:**
**Review Referrals:** n/a
**Review Release Date:** n/a
**Review Release Event:** n/a
**Review Transfer Date:**
**Review Withdrawn Fields:** n/a
**Secure:** OPEN
**Status:** NATIVE
**Subject:** PLENARY SESSION STATEMENT BY SECRETARY SIMON
**TAGS:** OVIP, (SIMON, WILLIAM)
**To:** STATE
**Type:** TE
**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 05 JUL 2006